GOVERNMENT OF INDIA
POWER
LOK SABHA

STARRED QUESTION NO:276
ANSWERED ON:31.08.2007
CAPACITY ADDITION IN POWER PLANTS
Reddy Shri Mekapati Rajamohan;Siddeswara Shri Gowdar Mallikarjunappa

Will the Minister of POWER be pleased to state:

(a) whether capacity addition of State run power plants has not increased in the last several years due to short supply of gas and coal to them;

(b) if so, the details thereof along with the concrete steps taken by the Government in this regard;

(c) whether the Government has assessed the funds required in the Eleventh Plan to bridge the gap between demand and supply of power in the country; and

(d) if so, the details thereof and the efforts being made by the Government in this regard?

Answer

MINISTER OF THE STATE IN THE MINISTRY OF POWER (SHRI SUSHILKUMAR SHINDE)

(a) to (d) : A Statement is laid on the Table of the House.

STATEMENT

STATEMENT REFERRED TO IN REPLY TO PARTS (a) TO (d) OF STARRED QUESTION NO. 276 TO BE ANSWERED IN THE LOK SABHA ON 31.08.2007 REGARDING CAPACITY ADDITION IN POWER PLANTS.

(a) & (b) : During the course of X Plan, in the State Sector, against a target of 11,157 MW, a capacity to the tune of 6244.6 MW was commissioned. Out of the projects which have slipped from the X Plan original list, no project had slipped due to non availability of coal. However, a gas based project at Karaikal (100 MW) in Puducherry was dropped from the X Plan due to non placement of orders in the absence of requisite gas tie up.

In so far as existing gas and coal based power plants in the State sector are concerned, the loss of generation during the last three years due to shortage of coal and gas has been as under:

Year	Loss of generation due to shortage of coal (MU)	Loss of generation due to shortage of gas (MU)
2004-05	25	2792.92
2005-06	42.66	3874.04
2006-07	Nil	4328.56

As seen from above, due to various measures taken by the Government, no generation loss has been reported by State run plants in year 2006-07 on account of coal shortage. However, to bridge the gap between demand and supply of natural gas, Government of India adopted a multi-pronged strategy which is stated as under:

Intensification of domestic exploration and production (E&P) activities.
Exploitation of unconventional sources like Coal Bed Methane (CBM).
Underground coal gasification
Implementation of Natural Gas Hydrate Programme (NGHP) for evaluation of hydrate resources and their possible commercial exploitation.
Encouraging import of gas in the form of Liquefied Natural Gas (LNG) ; and
Gas sourcing through transnational gas pipelines.

(c) & (d) : The Working Group on Power for the Eleventh Plan (2007-12) based on certain assumptions, has estimated a total fund requirement of about Rs. 10,31,600 crores for the power sector as a whole. For creation of projected capacity addition, fund requirement has been assessed at about Rs.4,10,900 crores by the Working Group. Out of the now proposed capacity addition of about 78500 MW as on 30th August, 2007, 2265 MW has already been commissioned and another 51,680 MW is under construction.

Power Finance Corporation and Rural Electrification Corporation have geared up to mobilize funds to ensure that viable projects do not suffer for want of funds. Further, to facilitate financial closure in respect of private sector projects, an Inter Institutional Group, comprising of leading financial institutions and banks, is functional. However, for equity contribution in respect of private sector projects, the developers have to make arrangements from their internal resources, while for meeting the equity requirements in respect of Central and State Sector projects, public sector undertakings/utilities have to make arrangements from their internal resources and /or budgetary support.